

# The AMERICAN OBSERVER

*A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe*



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## Saar Basin Prepares to Decide Its Fate

**In January Saarlanders Will Choose Between France and Germany or Will Reject Both**

### STRIFE AND EXCITEMENT GROW

**Plebiscite May Introduce New Problems Dangerous to World's Peace**

On the northwest corner of France and the southeast corner of Germany, between the Rhine and Moselle rivers, lies a pretty and populous strip of land somewhat bigger than half of Rhode Island. This is the Saar Basin, and it is one of the danger spots of Europe. It is not the only place on that troubled continent loaded with dynamite, but it may be said to be the only one with a time fuse. The explosion is timed to occur next January, in the form of an election which will decide the fate of that region, and possibly of much larger ones. On January 13, 1935, fifteen years after the signing of the Versailles Treaty, the Saarlanders (or Saarois, according to the French) will be called upon to vote whether they will return to Germany, go to France or remain under the government of an international commission.

The Saar is one of the territories torn from Germany as the result of the World War, but unlike some of the others the separation was decreed for a limited time. France at the treaty conference demanded it as an outright award by way of reparation for the destruction of her coal mines by the Germans. But the delegates of the other nations, led by Woodrow Wilson, objected to the violation of the self-determining rights of peoples, and a compromise was made by which the coal mines of the Saar should become the absolute property of the French government while the region should be governed by an international commission of five, appointed by the League of Nations. After fifteen years of such government the Saarlanders were to have the right to decide for themselves their future fate. The fifteen years comes to an end next January, and the campaign to control the election is on. That is why the Saar is an immediate international problem.

#### The Saar Basin

The Saar Basin of 738 square miles, containing one of the richest deposits of coal in all Europe, was long ago contended for by France and Germany. Twice it was under French control, once under the grand monarch, Louis XIV, and later under Napoleon I. The fortifications of Saarlouis, now the sixth city in size, were built by Vauban, the French king's great military engineer. For Napoleon's wide conquests the Saar furnished many soldiers and officers, among them the famous Marshal Ney. The French had hopes of recovering the country after the restoration and of extending their boundary that much closer to the Rhine until the development of the mines in the 1840's brought in such a wave of German workers as to make the country overwhelmingly German in character. So the question did not come up again until the close of the World War.

The Saar country is a beautiful one of

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SCHOOL AGAIN!

From kindergarten to college we find many who seem to sympathize with this point of view.

## A Civic Lesson

The tracing of the Lindbergh ransom money and the partial solving of that famous case serves as a dramatic reminder of the efficiency with which the government is waging a war upon one kind of crime, namely that of kidnapping. Following the Lindbergh tragedy there was a wave of kidnapping that struck terror to the entire nation. It seemed possible that kidnapping might take a place along with racketeering as a characteristic American crime. It appeared that no child might any longer be safe from infamous "snatchers." But the public was aroused and demanded action, and action there was. Laws were passed enabling the federal government to play a larger part in the pursuit of criminals who had crossed state lines. Other hindrances to justice were swept away. The result has been a relentless chasing down of kidnapers which has been so efficient that practically every case has been solved. Kidnapping has turned out to be a most dangerous practice to the kidnapers.

There is a lesson to be derived from this experience. It is that we can have law enforcement if we want it. Justice is thwarted by many barriers. Our courts are abominably slow, practices by criminal lawyers—practices which thwart rather than promote justice—are permitted by a tolerant public, cases are thrown out of court on flimsy technicalities. We have police who are underpaid and untrained. We object to the fingerprinting of the whole population. We have laws that render it difficult for criminals to be followed across state lines. These are but a few of the obstacles to law enforcement. All of them may be swept aside. Such hindrances have been removed in other countries with very beneficial results. The only reason that they continue to exist here is that the public has not been aroused about crime in general as it has been about kidnapping.

It is not to be assumed that we are not to fight other forms of crime in exactly the same way that we have combated kidnapping. It does not follow that we are to put the whole job of law enforcement upon the national government. The local divisions must recognize their responsibility and live up to it. If every hard job is thrown upon the federal government, the local units will decay completely from lack of attention, and we cannot have a sound national political life unless there is soundness in the political practices of the local governmental units. We need in this nation a revival of interest in local government which will give us a democracy sound from the ground up. There is no greater civic need today than that the American people should develop a genuine interest in the problem of community government. That is why we emphasize so strongly the desirability of cooperating with the National Municipal League in the formation of citizens' councils. It is why we urge the formation of junior citizens' councils in every school and college.

## Winant Report Airs Textile Labor's Ills

**President's Committee Upholds Most of Workers' Claims as Leaders Call off Strike**

### NRA CONTROVERSY IS UP AGAIN

**Business Men Want Agency Abolished but Would Keep Certain NRA Features**

During the last week there have been interesting developments relative to two problems which we have discussed in recent issues of THE AMERICAN OBSERVER. These two subjects are the textile strike and the question of NRA reorganization. Because these problems, and also the recent developments in connection with them, are so important, we are bringing the story of the textile controversy and the NRA issues up to date in the article which follows.

The great textile strike has been called off and the men are back at work. Peace came as a result of the report made by the president's special investigating committee. This committee, headed by Governor John G. Winant of New Hampshire, with Marion Smith of Atlanta, and Raymond V. Ingersoll of Brooklyn as associate members, made recommendations as to how the troubles in the industry should be dealt with. On the basis of these recommendations, President Roosevelt asked the labor leaders to call off the strike, and they accepted his advice. Let us examine now the findings and recommendations of the Winant committee.

The committee reported that there were four outstanding issues involved in the textile controversy. These issues were: 1. the question of the recognition of the textile union, 2. the question as to the enforcement of the labor provisions of the textile code, 3. the question of hours and wages, and 4. the problem of the "stretch out" or the speeding up of work in the mills. The report deals with each separate issue.

#### Power of the Union

1. *The Recognition Issue.* Altogether there are about 400,000 to 450,000 workers in the cotton textile industry. Before the NRA went into effect, these workmen were practically unorganized. Not many of them belonged to any union at all. Probably of the whole 400,000 or so, only about 15,000 to 20,000 belonged to the United Textile Workers. The adoption of the National Recovery Act and the writing of the textile code encouraged the unionization of the men. They were given the right under the NRA to organize, and it was declared that this right should not be interfered with by employers. After the NRA was enacted no employer had a legal right to discharge a man because of his membership in a labor union. With this encouragement, the membership in unions increased greatly so that by last May it was claimed that about 300,000 workers, or three-fourths of the total number of the industry, belonged to the United Textile Workers.

This union, recently grown so strong, demanded that it should have the right to negotiate concerning wages and working conditions for all the workers in the industry. It demanded that it should be the bargaining agency empowered to sign

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# Notes From the News

**Mayors Announce Views on Relief; Cotton Farmers Complain Against Bankhead Bill; New Cabinet Office Under Discussion; New Dealers Hail Primaries**

THE United States Conference of Mayors at New York representing 110 municipalities decided that relief for cities should be placed on a permanent basis and that the federal government should assume a larger share. Calling on President Roosevelt, the executive committee of the mayors declared the country is reaching a new normal level and that it is necessary to establish a permanent federal relief fund "preparatory to the creation of a nation-wide system of unemployment insurance." The committee suggested that the federal government take care of those able to work but unable to find jobs, while the local communities would continue to look after those unable to do regular work. The proposals were also laid before Harry L. Hopkins, relief administrator. Neither the president nor Mr. Hopkins commented on the scheme. Mr. Hopkins, however, had just previously charged that states and cities were not putting up their share of relief money. He carefully investigated the wealth of the various states and communities and declared that they would have to furnish \$100,000,000 more in the next six months.

In New York City a plan of establishing a municipal lottery to help raise relief funds was approved by the board of aldermen and the board of estimates and adopted by the municipal assembly. The scheme was to use wagers on numbers, or the Harlem policy game, and to give 44 per cent of the profits to charity. It was claimed such a plan would raise \$12,000,000 annually of the \$50,000,000 needed. The lottery idea, however, stirred up great opposition, particularly on the part of the churches, and Mayor LaGuardia's administration began to cool toward it. The lottery was suggested after the mayor's proposed business tax had been rejected.

## Cotton Control Act Upheld Despite Effects of Drought

The Bankhead Cotton Control Act, designed to limit the production of cotton, did not work out as expected, and loud complaints arose from parts of the cotton-growing South. The law sought to limit the crop to 10,460,251 bales. But the drought acted to reduce it to about 9,252,000 bales—more than 1,000,000 below the quota. Yet some growers east of the Mississippi, mostly in Alabama and South Carolina, managed to raise a little more than their quotas, and thus became subject to the penalty tax of five and one-half cents a lint pound on the surplus. It was they who sought to have the act suspended for this year, in view of the general slump. Congressmen from the cotton states met and talked the matter over with Secretary of Agriculture Wallace and Chester C. Davis, AAA administrator. After the conference Secretary Wallace announced that

the act would not be suspended, but that to help the small farmers who were complaining, their allotments under it would be increased ten per cent. The cotton control act has been called the government's first venture in a compulsory "planned economy."

## Department of Transportation May Handle Railroad Problem

With one-sixth of the railroad mileage of the country in receivership and the other five-sixths struggling under the handicaps of the depression and growing motor competition, steps have been taken by both railroad executives and the government to solve this major problem. The former, in convention at Chicago, merged two big organizations, the Association of Railway Executives and the American Railway Association, into a new and single unit, the Association of American Railroads. The purpose, they announced, is to "obtain greater unanimity of action by railroads," to "coöperate more effectively with the government" and to "protect and advance the industry under private ownership."

This move was heartily approved by Joseph B. Eastman, federal coordinator of transportation. In seeking to solve the same problems Mr. Eastman had previously advocated a federal Department of

had long felt the need of adequate regulation. At that meeting it was charged that the railroads seek "to stifle the growth of motor buses and trucks." The counter claim was made that automobile freight last year furnished the railroads fourteen per cent of their business.

In the last five years the operating revenues of the railroads decreased from \$6,386,000,000 to \$3,095,000,000. There has been much talk of the government's being forced to take them over. Chairman Jones of the Reconstruction Finance Corporation declaring, "We cannot get along without the railroads," said the government could make them loans until they were put on a better earning basis. Such government loans, many believe, would be the first step toward ultimate government ownership and operation.

## New Dealers Pleased with Primary Results

Primary elections generally continue to favor the New Deal. In Wisconsin, where the races were watched with great interest by the whole nation, the candidates of the Democratic party polled the largest vote, though the La Follette brothers, Robert M. and Philip, running on their own Progressive ticket, received a good-sized vote for senator and governor respectively. They declared that "America should find encouragement in the comparative strength registered by the new Progressive party in Wisconsin." A still more striking success for the new dealers was



JOSEPH B. EASTMAN  
Who may yet become a member of the president's cabinet as secretary of transportation.

## The Governmental Record

**The President:** Was elated that his special inquiry board laid the basis for a strike settlement in the textile industry. The terms of the settlement were such that neither labor nor industry could claim a victory—labor secured a new government-sponsored agency to handle complaints, and industry was pleased with the board's refusal to force employers to deal exclusively with the United Textile Workers Union in collective bargaining. The strike disposed of, the president turned his attention to relief problems conferring with FERA administrator Harry L. Hopkins and a committee of mayors representing the mayors' conference in New York.

**Foreign Trade Adviser:** George Peek urged the adoption of a national bookkeeping system to make clear the exact amounts of our debits and credits with foreign nations. He believes the information that such a system would provide would lessen unwise investments abroad in the future and would also aid in formulating a profitable foreign trade policy.

**Department of Agriculture:** Estimates that for the calendar year 1934 the total cash income to farmers will be \$6,000,000,000. This will be an increase of nineteen per cent over 1933, or nearly \$1,000,000,000.

**House of Representatives:** Committee began investigating real estate booms. The public will be enlightened, the investigators say, with the inside details of how investors lost billions of dollars on real estate bonds during the past few years.

**Civilian Conservation Corps:** An additional \$35,890,000 has been ordered transferred from emergency drought relief appropriation to finance activities of CCC drought relief camps in the Middle West. Approximately 100,000 men will be enrolled to replace those who have dropped out during recent weeks or who will be discharged at the close of the six months' period on September 30.

**Department of Labor:** Reported jobs and payrolls had increased during the month of August. Also reported a slight drop in wholesale prices for the week ended September 15, although the general trend is still upward.

**Navy Department:** Announced an extensive program of maneuvers for the coming year. The fleet is now moving southward for gunnery practice and tactical exercises in the Caribbean. After these are concluded, the fleet will pass through the Panama Canal as a unit late in November and remain on the West Coast all next year, holding maneuvers in the Pacific between Puget Sound, Alaska and Hawaii.

**Federal Deposit Insurance Corporation:** Reports that during the one year it has operated only five small banks out of 14,000 on the insurance plan failed. There was practically no loss to any depositor. In years as prosperous as 1928 and 1929 an average of 600 banks a year failed in the United States. It is reported that the government guaranty will be extended to bank accounts up to \$10,000 next year. It only insures up to \$5,000 at present.

**Subsistence Homesteads Division:** Reports that applications for homesteads continue to increase. More than 22,000 have been received. Nearly 500 subsistence homestead houses are completed or are under contract for construction.



PRESIDENT ROOSEVELT AN INTERESTED SPECTATOR AS HE WATCHES THE CUP RACES OFF NEWPORT, R. I.

Transportation, its head to be a member of the president's cabinet, and whose supervision would be extended over railroads, trucks, buses, barges and even airplanes. The railroads have long complained that they are overregulated while motor vehicles are underregulated. Pending the creation of a Department of Transportation Mr. Eastman wishes to have the powers of the Interstate Commerce Commission expanded to cover all forms of transport. He told the Association of Motor Bus Operators at Cleveland that their industry

the decided victory in Massachusetts of James M. Curley, former mayor of Boston, in his race for the Democratic nomination for governor. His vote was more than double that of his rival, Gen. Charles H. Cole, who had the backing of Senator Walsh and Governor Ely, "Al Smith Democrats." Senator Walsh was easily renominated. New Dealers, however, were somewhat surprised at the defeat in Mississippi of Senator Hubert D. Stephens who ran on a "back Roosevelt" platform. The victor was Theodore G. Bilbo, former governor, who championed many radical propositions and promised as a senator to "make more noise than Huey Long."

## Comptroller General Balks Tree Shelter Belt Project

Comptroller General McCarl is in the limelight again because of his ruling that the planting of a shelter belt of trees across the plains states is not a direct and immediate relief project. This means that the \$15,000,000 of the emergency drought appropriation, allotted to the tree-planting project by executive order, cannot be used.

Mr. McCarl believes that Congress should have the opportunity to pass upon a program that will involve as much money and take as much time as this one. He consented, however, to the spending of \$1,000,000 so that preliminary work could go on until Congress has a chance to consider the question.

The comptroller general has authority to interpret congressional appropriation bills and forbid specific expenditures if he believes they are contrary to the desire of Congress. The office was created as a check on reckless spending by government departments for political purposes. Recently there has been much talk of abolishing the position on the grounds that it is unnecessary and interferes with government activities.



THE BRITISH "ENDEAVOR" LEADS THE AMERICAN "RAINBOW"  
But the races were finally won by the American defender.

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# AROUND THE WORLD

**Germany:** German newspapers, almost without exception, last week waxed eloquent over the installation of Ludwig Mueller as first head of the German Protestant church. They used the elaborate ceremony in the Berlin cathedral Sunday, September 24, as an occasion to point out the religious unity of all the German Protestant churches. What the newspapers failed to mention, however, were the numerous meetings of protest held in almost every city of Germany. Hundreds of Protestant pastors stood up in their pulpits and denounced the action of the government in attempting what they called a "coercion of conscience."

As a matter of fact, the religious issue in Germany is growing hotter and hotter. Pastors, as well as their followers, feel so deeply on the subject of Hitler's establishing a dictator over their beliefs and forms of worship that they dare openly to defy the government, even at the risk of internment in concentration camps and other prisons. The fact is that Hitler is not going to make the church an arm of the Nazi government without a bitter fight. It seems likely that he will have more trouble subduing the churches than he has had in bringing all other groups, including the political parties, into the Nazi haven.

Nor are the dissenting Protestants the only ones Hitler has on his hands. German

They will be turned over to the Fascist youth organizations which will see to it that no opportunity is lost to make good soldiers and warriors of them. The object of this first stage of training will be to "interest boys in military life by means of frequent contacts with the armed forces of the nation, whose glories and traditions will be taught to them."

After fourteen the training will be gradually intensified until the young Italian is ready to enter his two-year period of compulsory military training. But the state will not be through with him even then, for the new decree provides for a post-military training for ten years. The aim during these years will be "to preserve in former soldiers the military spirit and *esprit de corps* and to maintain in readiness a reserve of specialists skilled in their respective military functions and well acquainted with the newest developments in the art of war."

**Japan:** Reports, as yet officially unconfirmed, have announced that Japan and Soviet Russia have at last come to terms over the sale of the Chinese Eastern Railway, which runs through the Japanese puppet-state of Manchoukuo over a distance of 1,000 miles. No end of friction between the two countries has resulted from the

to the government of Manchoukuo. This would be an enormous diplomatic victory for the Japanese for since their seizure of Manchuria from the Chinese in the fall of 1931 and the establishment of an "independent" nation, the world has ignored the existence of the new government. Only Japan herself and El Salvador have recognized the Manchoukuoan government.

**Austria:** Schuschnigg's government, apparently convinced that the time is not yet ripe for restoration of the monarchy to Austria with Archduke Otto on the throne, has issued a warning to the mon-

final chance to bury the hatchet and get back on friendly terms. Before the present League Assembly adjourns, it is believed, a special commission will be appointed to attempt conciliation. Should this move fail, the League will call a special meeting of the Assembly for November, as it did in the Sino-Japanese conflict of three years ago, to determine what action League members shall take against the belligerents.

**Ireland:** The Fascists of Ireland, the Blue Shirts, deadly foes of the Eamon de Valera government, are no longer to be



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## MUSSOLINI'S YOUNG FASCISTS

Military training begins at an early age in Italy. Boys start at eight.

archists of Austria. Newspaper editors have been cautioned against displaying too great enthusiasm and emotion in their columns for the pretender to the Austrian throne. It is understood that this intervention on the part of the chancellor, himself in favor of a Hapsburg restoration, is due to the bitter opposition of the Little Entente (Czechoslovakia, Yugoslavia and Rumania) to all the recent talk about the Hapsburgs. Underneath, Mussolini is thought to have urged Schuschnigg to soft-pedal the Hapsburg question for the time being at least.

**Spain:** That there is an underground conflict between opposing political groups which may at any time burst out into civil war is recognized by government officials at Madrid. In fact, the Spanish president, Niceto Alcalá Zamora, has taken the bull by the horns and acted in anticipation of such an outbreak. He has declared a state of alarm, which amounts practically to a declaration of martial law. A few hours earlier he had stated that the nation was threatened with civil war.

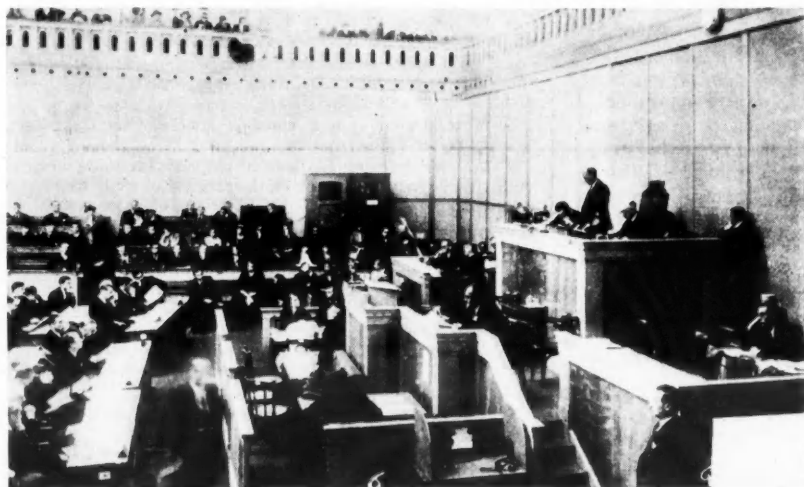
Ever since the government discovered supplies of arms and munitions in the headquarters of radical labor unions a short time ago, it has been convinced that the Socialists, Communists and other radical political organizations were preparing to do something rash in order to gain control of the government. It is believed that they have spent millions of pesetas on war materials to be used if necessary. Another chill was sent down the spines of Spanish officials when they read in the radical papers last week that the acceptance of certain conservative political leaders in the cabinet would be used by the radicals as the signal for a nation-wide revolution.

**Geneva:** Again the League of Nations is to try its hand at settling the two-year-old Chaco war between Bolivia and Paraguay. Having already failed to bring the disputants to terms, it is to give them a

led by the picturesque General O'Duffy. The general, one of the founders of the Blue Shirt movement, has resigned his command following the failure of the party to insert a plank in its platform calling for the establishment of Fascism in the Irish Free State. He has been succeeded by E. J. Cronin, formerly secretary of the United Ireland Party.

**U.S.S.R.:** Since the Soviets succeeded in getting the United States to recognize them after Maxim Litvinoff came to Washington to confer with President Roosevelt, everything has hinged on the successful settlement of the debts owed this country by previous Russian governments. Litvinoff agreed that his country would act and there has been plenty of action, though practically nothing has been accomplished. The negotiations have shifted back and forth between Moscow and Washington, first Ambassador William C. Bullitt taking the lead and then Secretary Hull trying his luck.

Now Secretary Hull, after having already failed several times, is trying again to get the whole thing out of the way. He has reopened the negotiations with Ambassador Troyanovsky. What the Soviets want is some kind of solution that will satisfy the American claim of half a billion dollars without recognizing in theory their legal obligation to pay. They have thus suggested that the United States lend them money with which to buy American products and charge them a high enough interest rate to cover part of the debts contracted in the past. The Soviets are in a tight spot, for if they agree formally to pay the debt in a conventional way, they will have England and France and other creditors on their heels, but if they can hit upon some ingenious plan, they feel that they will have satisfied the Americans without admitting their obligation to the rest of the world. It is obvious that they have a difficult task on their hands.



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## THE LEAGUE OF NATIONS ASSEMBLY IN SESSION

Delegate Sandler of Sweden, president at this session, addresses the Assembly.

Catholics are becoming more and more militant as they see which way the religious wind is blowing. They have reason to believe that it will not be long before the Nazis will try their customary tactics on them. Mueller has already said as much in unmistakable terms. In a speech given a few days before his official "coronation" in Berlin, Reichsbishop Mueller declared: "What we want is a German church free from Rome. The goal for which we strive is: One state, one people, one church."

**Italy:** Mussolini is taking no chances on any male Italian's failure to become military-minded. The country is to be made into a veritable garrison, more so than it has ever been in the past. Following the recent war maneuvers witnessed by Il Duce in person, a decree was issued making military training compulsory for all male Italians from the ages of eight to thirty-three. "The functions of a citizen and soldier are inseparable," declared Mussolini as he issued this new order, adding that "military instruction is an integral part of national education."

What is going to happen in Italy under the Fascist régime is a regimentation unequalled anywhere in the world today, even in Nazi Germany. At eight boys will be prepared physically to shoulder arms.

controversy over the sale of the road, built by the Russian Czars. When negotiations for the sale of the Chinese Eastern began in June, 1933, the two nations could not get together on the price. Both sides yielded an inch here and an inch there until the difference between Russia's demand and Japan's offer was not considered an unsurmountable obstacle to closing the deal.

If the reports coming from the Far East are correct, Russia will receive about \$50,000,000 for the road. This figure was reached by splitting the difference which separated the two countries when the negotiations last broke down about the middle of August. It provides for the payment of about \$8,000,000 to Russian employees of the Chinese Eastern who will lose their jobs when the transfer to Manchoukuo is made.

Although it is Japan that has carried on the negotiations with Russia and the deal was closed by the Japanese foreign minister and the Soviet ambassador in Tokyo, Manchoukuo will have to foot the bill. Representatives of Manchoukuo were said to be on their way to Tokyo last week formally to place the stamp of approval of their government on the transaction.

An undercurrent of rumor has it that in settling the Chinese Eastern controversy Soviet Russia agreed to extend recognition



# You and Your Community

By Walter E. Myer

EVERY community has to deal with the problem of raising money. That problem is at the bottom of all others because there is little that can be done by way of improving conditions in any locality without the expenditure of money. The difficulty of obtaining revenue places limits upon all worthwhile public enterprises. In times of serious depression, this problem of raising money is especially acute because huge funds must be supplied for the relief of the needy. It is true that a large part of the burden is being borne by the national government, but it is expected that every state, county and municipality will look after its people to the limit of its resources.

It often happens that the people of a community feel that they have come to the limit of their power to collect money when as a matter of fact their trouble is chiefly a poor tax system rather than the lack of money which might be drawn upon. It is highly desirable, therefore, that every citizen should study carefully the financial needs of his locality and the means whereby his local government raises money to defray its expenses. Whatever the interests of citizens may be, whatever public enterprises they may be concerned about, they should find time to study the problem of taxation.

In many places the tax systems are at fault. In most parts of the country too great reliance is placed upon the general property tax. Nearly all students of taxation problems are agreed that while the general property tax might well have a place in a tax system, it should not be depended upon so heavily as it often is. The general property tax, or a tax of a certain per cent of the value of all kinds of property, may have been very satisfactory in the early days or in communities where industry was very simple. In such cases there were not many kinds of property and it was possible to determine the value of each man's goods. In certain times and places, for example, property consisted largely of lands and herds. If then you could count a man's acres and his cattle, you could determine fairly well what his wealth was and how much taxes he ought to pay. Even now the general property tax may be relied upon quite heavily in rural regions, because property is chiefly tangible; that is, it is out in the open where people can see it—consists of farms and equipment and live stock and so on.

But in the highly industrialized localities, the general property tax does not work so well. A large part of the property consists of intangibles, that is, claims to ownership, such as mortgages, shares of corporations, bonds, and so on. It is not easy to determine the extent of any man's holdings. Property of that kind can be concealed. Most of it, as a matter of fact, escapes taxation altogether, and if there are not other forms of taxation, the wealthiest men may pay very little to the government.

William J. Shultz, a specialist on taxation problems, recommends in his book, "American Public Finance and Taxation," that other kinds of taxes should be introduced to supplement personal property taxes, and that in industrial communities especially taxes on business enterprises and on personal incomes should be used to a large extent in place of personal property taxes. The personal property tax had become so unpopular that by 1930 five states—Delaware, Massachusetts, New Hampshire, New York, and Pennsylvania—had practically abolished their taxes on tangible property—property such as machinery, live stock, and so on, while nine other states—Alabama,

Connecticut, Idaho, Louisiana, Maryland, North Dakota, Oregon, Rhode Island, and Wisconsin—had discarded nearly all of the property taxes on intangibles—property such as stock, bonds, mortgages, and money.

THE municipal assembly of the city of New York has just decided upon a program of taxation to raise money for that city's tremendous relief expenditure. Three kinds of taxes are to be relied upon: First, a tax of one-tenth of one per cent on gross receipts of business in excess of \$15,000 is to be levied. Under this plan if a corporation or any kind of business firm takes in during the year a million dollars, it must pay a tax of \$5,000. Second, a city tax on personal incomes is levied amounting to fifteen per cent of the federal income tax. If, for example, a man pays \$1,000 a year in income taxes to the national government, he must pay \$150 as an income tax to the city.

The third measure is a lottery. Tickets are sold for chances on large sums of money. In order to make the plan legal, however, the lottery has to appear to be something else. It is arranged, therefore, that those who pay their fees and draw the lucky numbers, instead of receiving the money outright, which would be considered an illegal form of gambling, receive appointments as officers in a corporation. If one draws the luckiest number, he receives the appointment as president of this corporation at a salary of \$25,000 for six months. The vice-president receives \$20,000, nine additional vice-presidents receive \$15,000, each of three secretaries receives \$10,000, ten sergeants-at-arms, \$5,000 each. These "officers" are supposed to give time to relief work in the city. After their salaries have been paid, the money which remains from the sale of tickets or chances will be placed in the city treasury for relief purposes. Whether or not this plan will be held legal is a question.

IT WOULD be a good thing if citizens everywhere were to study the particular needs and financial necessities of their own cities, counties and states. This would be a good job for a Citizens' Council or for a Junior Citizens' Council organized within a school. In order to give some direction to such a study, we are reprinting the following set of questions which might be asked regarding your community. The questions are selected from a pamphlet already quoted from in this column: "What Social Workers Should Know About Their Own Community," by Margaret F. Byington. The questions follow:

1. What public bodies levy taxes in the community?
2. What are their tax rates? What property is exempt from local taxation?
3. On what percentage of the market value of real property are taxes assessed? Are assessments made annually? Are land and improvements assessed separately? What are the totals for each for the last ten years?
4. Is this valuation based on custom or is it a legal requirement?
5. What sources of revenue has the city besides the real estate and the personal property tax?
6. What was the total amount of all revenue in the last fiscal year?
7. Does the city follow the "pay-as-you-go" policy? How near is it to its borrowing limit?
8. How and when is the city budget made up? Are there public hearings on it, and if so what is the character of the discussion of its items?
9. What proportion of the annual revenue of the city is spent for the police force? For education? For health work? For recreation? For charitable institutions? For public outdoor relief?
10. Is there an annual audit of public accounts? Have any special studies of the city's accounts been made recently? With what result?

IN studying the subject of taxation the student will have to be on guard as he reads his material. There are many organizations devoting their energies to this subject and putting out material on it. Some of these organizations are interested in discovering and recommending the best tax systems—best for the community as a whole. Other organizations have in mind special interests. There are various kinds of taxpayers' associations which are concerned wholly with lowering their own tax burdens. It often happens that wealthy men go to great lengths to escape the payment of taxes. They try to shape the laws so that the particular kind of property they possess will get off easily. These associations are usually opposed to income taxes which bear heavily upon the rich.

Then there are the tax associations which give their attention not so much to working for particular kinds of tax systems as to cutting down taxes all around. Some property owners think of little else than to reduce their tax burdens. They are willing that the schools should suffer and that the needy should starve, that roads should be unbuilt and sanitary measures neglected in order that they may be saved from expense when they pay their taxes. For these reasons it is necessary that the citizen who is interested more in his community than anything else should be very careful to use his most critical judgment when he studies taxation problems.



LONGER AND STRONGER

—Talbot in Washington News

## Something to Think About

1. Make a list of the big issues in the cotton textile strike and tell what recommendations the Winant board made in the case of each. Why is it worthwhile to study these issues even after the strike has been called off?
2. Does the introduction of labor-saving machinery usually result in saving the labor of human beings; that is, does it make the work of laborers less burdensome? If not, can you think of any way of insuring that it should do so?
3. Do you agree with the recommendation of the Chamber of Commerce committee relative to the NRA? Give reasons why you do or do not.
4. What seems to you to be the most valuable contribution of the NRA and what seems to be its greatest weakness?
5. If you lived in the Saar which way would you vote in the January election? In giving your answer consider economic as well as political facts.
6. What in your opinion could be done in your community to remedy the crime problem?
7. To what extent is the general property tax relied upon in your state? What per cent of the revenue of your own town comes from this tax? What other sorts of taxes are in effect?
8. On what big issue have the Democrats and Republicans changed positions lately?
9. What basis is there for the statement that "Hitler is not going to make the church an arm of the Nazi government without a bitter fight"?
10. Why do the Russians appear willing to pay the Czarist debt to the United States in fact without admitting the legality of the debt in theory?
11. Describe the relief plan proposed by the mayors during the course of their conference in New York City.

REFERENCES: (a) Textiles: An NRA Strike. *Nation*, September 19, 1934, pp. 326-329. (b) Textile Trouble. *New Republic*, September 19, 1934, pp. 147-149. (c) Who Started This Regimentation? *Scribner's*, October, 1934, pp. 201-206. (d) In the Saar This Summer. *Contemporary Review*, September, 1934, pp. 316-324. (e) Plebiscite Puzzle in the Saar. *North American*, August, 1934, pp. 172-176. (f) Saar Plebiscite Agreement. *Current History*, July, 1934, pp. 185-186.

PRONUNCIATIONS: Manchoukuo (man-choo-ko-o—last o as in go), Troyanovsky (troy-an-off'skee—second o as in or), Litvinoff (leet-vee'noff—o as in go), Chaco (chah'ko—o as in go), Schuschnigg (shoo'shneek), Vauban (vo-bon—first o as in go, second o as in on), Niceto Alcala Zamora (nee-thay'to—o as in go, al-ka-la' tha-mo'ra—o as in go), Saarbruecken (sar-broo'ken).

Things eventually will work out one way or another. The world either will be saved or it will reach the point where it isn't worth saving.  
—Washington Post

## THE AMERICAN OBSERVER

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"JUST 'FORE CHRISTMAS I'M AS GOOD AS CAN BE"

—Ray in Kansas City Star



## BROADER HORIZONS

### Another Book by Russell

**B**ERTRAND RUSSELL has written another book, which reminds us of a very interesting man, member of a noble English family, socialist, mathematician, philosopher, educator, social reformer, author of a long and growing list of books. He began by writing on mathematics and abstract philosophy. He had long been interested in social questions, however, and lately he has written chiefly on problems of society and education. One of his most recent books deals with "The Conquest of Happiness," a book full of thoughtful suggestions as to how one may live happily.



BERTRAND RUSSELL

Mr. Russell is sixty-two years old. His father was Viscount of Amberley and his grandfather was a very famous English statesman, Lord John Russell, at one time prime minister of England. Bertrand Russell was brought up in luxury and was trained in the traditions of English aristocracy, but in his sympathies he has been with the poor and unfortunate. He was unpopular during the war, and even served a term in prison because he advocated pacifism and opposed conscription. A few years ago he and his wife conducted an educational experiment by maintaining a nursery school in which the children were allowed great freedom. In 1931 Russell became an earl and since then he has occupied a seat in the House of Lords.

The latest Russell book is in the field of history. "Freedom Versus Organization: 1814-1914" (New York: W. W. Norton, \$3.50) is a history of the hundred years from the end of the Napoleonic wars to the World War. It would naturally be supposed that a man of Russell's interests would emphasize social and economic developments, and so he does, but he also gives much attention to the men who made the history of the period. There are many biographical and personality sketches, which will prove valuable to the student of the nineteenth century. Mr. Russell realized that ideas are vital forces in history, and so he describes the schools of thought which were influential during the period which he reviews. Naturally the book is concerned chiefly with European developments and personalities, but the United States is not neglected. The events, ideas and characters of America are given an appropriate place in the broad picture of a century which the author draws.

### Latin American History

**I**T IS probably true that most people in this country know more about the French, Germans, British and other European countries than they do about our neighbors south of the Rio Grande, those whom, for the lack of a better name, we call Latin Americans. The main reason for this is that in the past we have had more vital interests in Europe than in Latin America. But will this be true in the future? Many authorities think not. They believe the trend is toward a closer union of the American nations. The recent policies adopted by our government toward its Latin-American neighbors have relieved much of the tension caused by past misunderstandings. Relations are more friendly than they have been in years, perhaps ever. Moreover, the effort is being made to tie the nations closer together by trade agreements.

For these reasons, "Stories of the Latin American States" by Nellie V. Sanchez (New York: Thomas Y. Crowell Company, \$2.50) is an especially timely volume. The author has a flair for saying a lot in a brief space without being dull. Her book

is not factual history of the Latin American states. Instead, she writes with a broad sweep, giving a short but vivid historical background of each country, telling of some of the famous historical characters, describing the lay-out of the land, and continuing her stories with the latest facts on climate, education, government and population. The sketches range in length from about ten to twenty pages each. For those who care to do further reading on any of the countries, Miss Sanchez gives excellent references on each one. The author's aim of giving interesting, concise, yet informative historical sketches of the Latin American states has hit its mark.

### Adams Writes on Sectionalism

**W**HEN you have read the history of the United States, has it ever occurred to you to watch the different sections developing and to see how the interests of these sections have sometimes been in conflict? The United States, of course, has never been one united and homogeneous people with only a single set of interests. There were elements making for division and other elements making for union even back in colonial days, and this sectionalism has been a factor of American life from those early days to the present. Even now we have our New England, our North Atlantic, our South, our Middle West, our Far West—whose interests sometimes collide and whose jangling disputes sometimes prevent the establishment of a national policy.



JAMES TRUSLOW ADAMS

James Truslow Adams has written a book about sectionalism in America which he calls "America's Tragedy" (New York: Charles Scribner's Sons, \$3.00). The book is especially valuable for its contribution to an understanding of the Civil War and its causes. Mr. Adams describes the economic and social interests of the different sections. He explains the economic conditions and shows how the ideas of the people grew out of these conditions. The treatment of the subject is sympathetic and yet realistic. This book really should be read by students who are taking up the middle period of American history.

It is worth while to get acquainted with the works of James Truslow Adams for he is one of the outstanding American historians. His career differs from that of most writers of history in that he is not himself a teacher and has never been. During the early part of his life he was a business man. He made a comfortable fortune on Wall Street and retired in 1912, at the age of thirty-four, to give his time to study and writing. His studies were in-

terrupted by the war. He served as a captain in the Military Intelligence and was later attached to the American Delegation at the Peace Conference in Paris.

After the close of the war, he turned to historical writing. His first volume on "The Founding of New England," won the Pulitzer Prize for history in 1922. Since then he has written a number of books, probably the best known of which is his interpretation of American history called "The Epic of America." Two years ago he published a two-volume history of the United States entitled "The March of Democracy." These books enjoyed a wide sale.

Mr. Adams spends most of his time in England but usually makes a yearly visit to the United States in order to keep in touch with the American scene.

### Representing American Business

**E**LSEWHERE in this paper there is a discussion of the recommendations of the United States Chamber of Commerce relative to the NRA. It is explained that the announcement of this plan is significant because of the fact that the Chamber of Commerce is supposed to represent the views of the majority of business men throughout the nation. It is in a way their mouthpiece. It is desirable, therefore, that we should know something about the man who stands at the head of that organization and who, because of his position, wields a tremendous influence.

The president of the Chamber of Commerce of the United States is Henry I. Harriman. Mr. Harriman, who is sixty-one years old, was born in Brooklyn but he now lives in Boston. He began his career as a salesman of textile machinery in New England. One element of his success as a salesman was his intimate knowledge of the thing he was selling. While he was in attendance at a textile school, he invented an automatic loom which has since been in general use. While he was traveling about selling machinery for use in textile mills, he conceived the idea of developing the electrical industry by transmitting power greater distances than had been customary. He immediately got into the electric power business, then a very young industry. He established a small company which later grew into the New England Power System, which operates a chain of hydroelectric generating plants. This has been his chief industrial interest although he is connected with a number of different companies, holds directorships in several New England banks, and has a cattle ranch in Montana.

Early in his career, Mr. Harriman became identified with the movement to organize business, and for a long time he has worked with the Chamber of Com-



HENRY I. HARRIMAN

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merce of the United States. He is in sympathy with the idea expressed by the committee of the Chamber which we describe on page 7. He thinks that business companies should be allowed to unite and establish codes governing their industries, but that there should not be much interference by the government.

Business does not occupy all of Mr. Harriman's attention. He is a wide reader of history. As a boy he read history instead of the cheap literature that boys oftentimes get hold of. He spent much time reading the lives of great men, and these books have influenced his life. He believes that schools should concentrate on the teaching of history since historical knowledge leads to an understanding in other fields.

### Blast Against New Deal

**J**OHAN T. FLYNN, liberal financial writer who is best known through his analyses of Wall Street operations and his attacks on speculators, is a harsh critic of governmental programs which he considers to be at fault, regardless of politics. He condemned the Hoover administration severely, and now he maintains his independent position by launching a blast against the Roosevelt New Deal. In the October Scribner's Mr. Flynn does not indulge in rhetorical generalities, but rather draws up a bill of particulars against the administration for its contradictory program. The Washington spectacle looks to him about like this:

The NRA set up, as General Johnson proclaims one day, to "get prices up" while the next day he implores industrialists "For God's sake, keep prices down!"

The AAA commanded to push farm prices up to the level of industrial prices and the NRA moving frantically to keep industrial prices ahead of the farmers' prices.

Business crushed under its load of debt and the government's power and credit mobilized to perpetuate the debt structure under which the economic machine groans.

Dollar dilution and gold buying to stimulate foreign buying and price boosting to neutralize that effort.

General Johnson battling to set up a closed national economy and Secretaries Wallace and Hull fighting to revive foreign trade.

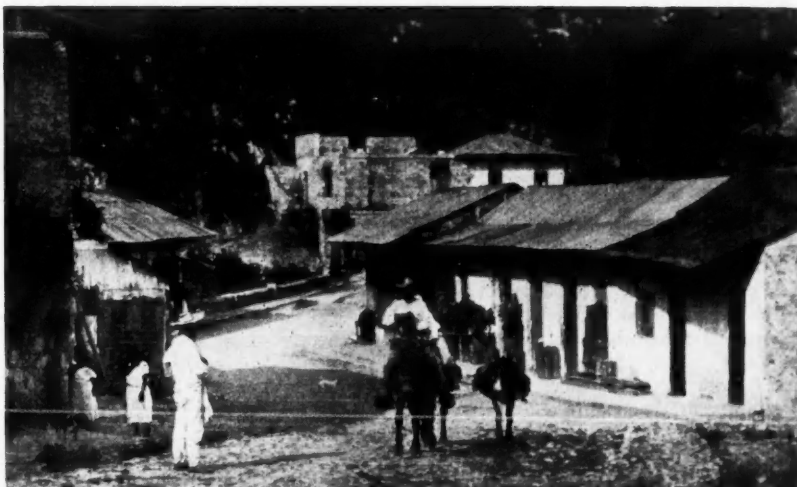
One scheme to get 3,000,000 farmers off the farms and another scheme to get 3,000,000 city workers out of the city. If you have a farm the government will pay you to move away from it. If you haven't it will help you to start one.

Millions of men in need of food and clothing and government grants of hundreds of millions paid to producers to destroy what we have.

Billions of dollars provided to stimulate the capital goods industries and scores of trade agreements among producers prohibiting any further investment in capital goods.

Business begged to raise wages and then permitted to raise prices to cancel the wage increases.

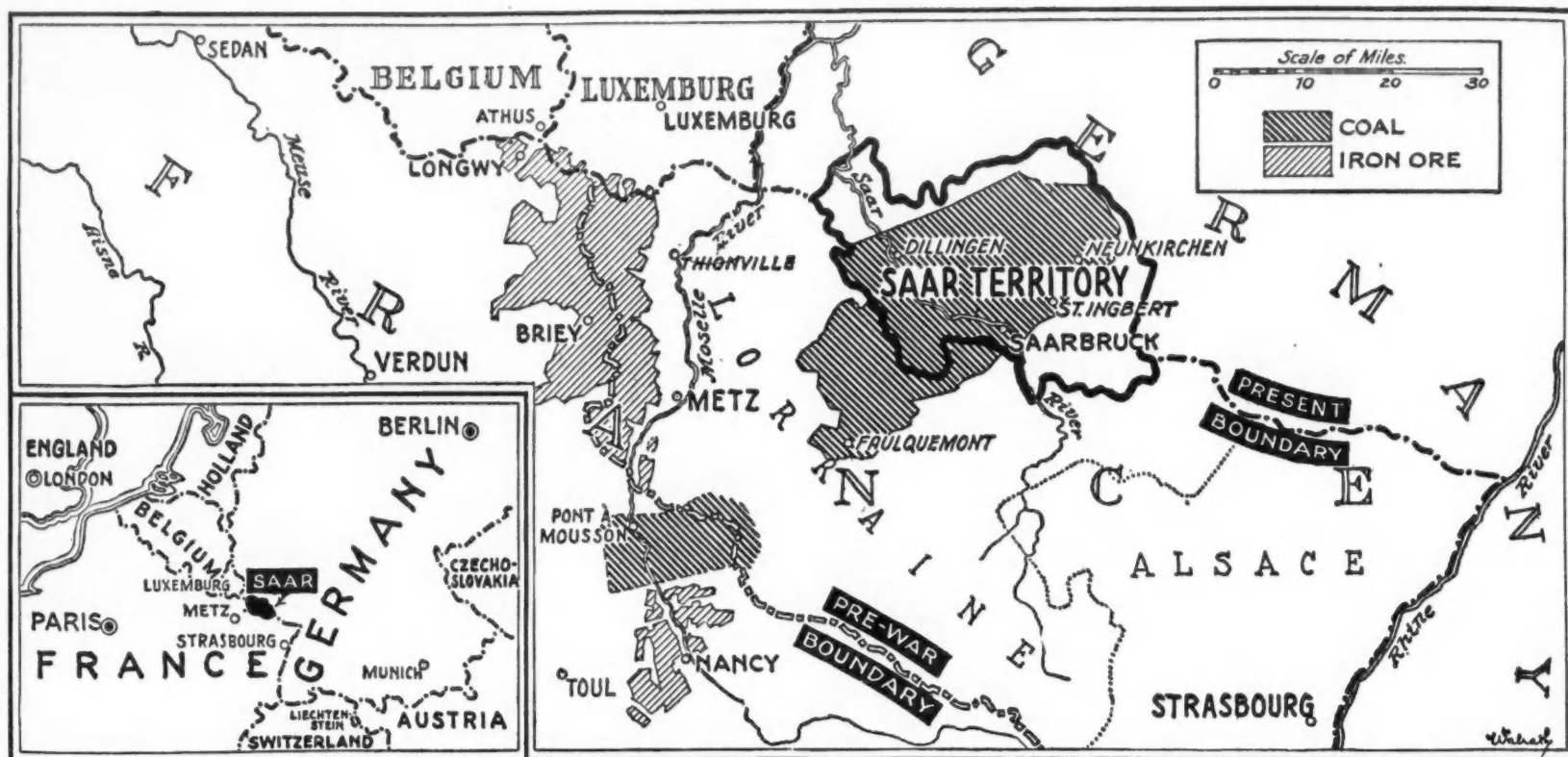
Millions paid to farmers to plow under their corn and to raise fewer pigs while the government buys their pigs and feeds them to fertilizer machines to make fertilizer to give the farmers to help them to raise more corn and thus raise more and bigger pigs.



THE MEXICAN VILLAGE OF ATOYAC

© Ewing Galloway





TERRITORY OF THE SAAR

—Courtesy New York Times

## The Franco-German Tug-of-War in the Saar Basin

(Concluded from page 1, column 1)

grassy meadows and undulating hills extending on both sides of the Saar river, its natural scenery broken by smokestacks and the gaping mouths of coal mines. The population at latest count was more than 800,000, which is at the rate of more than 1,000 to the square mile, and puts the Saar among the most densely populated areas of Europe. The chief city, and capital of the present government, is Saarbrücken with 125,000 inhabitants. It derives its name from the four fine bridges which span the Saar there. In addition to an average of about 13,000,000 tons of coal a year, the Saar produces pig iron, steel and glass. Only eleven per cent of the people are engaged in agriculture, but a large proportion of these, as well as of the industrial workers, are attached to the soil by owning their own homes.

A very significant thing about the Saar Basin in the present controversy is that it has practically no iron mines. It has always depended on the iron of its neighbor, Lorraine, for its factories. On the other hand, Lorraine, with its great iron output, has always easily and readily secured the coal needed for its foundries from the Saar. The two regions are interdependent and have always been exploited together, whether by Germans or French. When both the coal mines and iron mines went from German to French hands after the World War, production was scarcely checked. But when the coal mines belong to one nation and the iron mines to another, this smooth working will certainly be interrupted, to the serious hurt of both industries. It is possible, of course, that agreements may be made, with reciprocal concessions, but such action between two rival and unfriendly nations will take time.

### Saarlanders Prosper

Under the terms of the treaty Germany has the right to buy back the coal mines from France if the Saar returns to Germany. It must pay for them at a price in gold to be fixed by three experts. The value of these mines, which are thought to contain 17,000,000,000 tons of coal, has been estimated at from 1,000,000,000 to 2,000,000,000 francs, or some \$67,000,000 at the present rate of exchange. Indications are that Germany would not be able to pay for them in gold, and would not be willing to do so if she could. Germans have already charged that the French have damaged the mines, while the French

claim to have invested money in their development.

At present the Saar is relatively prosperous. Its tax rates are less than half those of either Germany or France, from both of which countries it received trade and tariff concessions. Its government is the only one in Europe which is out of debt. These conditions make some of the good Germans feel that a continuance of the present government might be best. Until the rise of Hitler's power, however, more particularly until the terrible "clean-up," or "purge" last June, there was little question about the vote favoring return to Germany. Now many Catholics, all the 4,000 Jews, a large part of the labor unionists and many refugees from Nazi persecution form an opposition that must be taken into account.

### Preparations Made

Official preparation for holding the election or "plebiscite" was begun last January, when a committee of three prepared a plan which was agreed to by both Germany and France and adopted by the League of Nations Council last June. The second Sunday in January (January 13) was selected as the date of voting; a special and competent police force was authorized, to be made up of local men as far as practicable, but with recruits from abroad authorized. Then the League's plebiscite commission will establish a tribunal, with eight subordinate courts in the basin, to sit for a whole year to hear complaints and appeals of all kinds. The chief of this special police force, an Englishman, has already been appointed.

Those qualified to vote in the election, according to the terms of the Versailles Treaty, are "all persons without distinction of sex, more than twenty years old at the date of the voting, resident in the territory at the date of the signature of the present treaty (January 10, 1920)." It has been estimated that 220,000 persons now in the Saar will be entitled to vote. It follows that those who lived there in 1920 and later moved away may return and vote. Both sides, or more properly all three sides, are courting these absent voters. As reported in last week's AMERICAN OBSERVER, some 550 are expected to return from the United States—largely on German money. But it is said that those returning from France, mainly from Al-

sace-Lorraine, will probably total 5,000, far outnumbering the Germans returning from other places.

### Fighting for Votes

While opposing forces seek to bring back voters from abroad, they are going to extremes to influence the voters at home. The principal offender is the "German Front," an organization of National Socialists which is supplied with money from Germany. They have filled the country with German flags and pictures of Hitler, and to their propaganda they have added terrorism. They dominate the local police and make it very uncomfortable, through boycott, and sometimes violence, for any who dare engage in contrary propaganda. The French, on the other hand, have since 1927 been allowing Saarlanders to acquire French citizenship without leaving the country, and it has been estimated that in this way they have secured about 10,000 supporters. The commission government has made complaints in its quarterly reports to Geneva that agreements signed by France and Germany to refrain from pressure and influence have been violated. The pro-German party claims to have ninety-three per cent of the voters enrolled with them, but it is leaving no stone unturned to make the best possible showing. As the voting day approaches, the fight becomes more intense and the excitement mounts higher.

An unpleasant fact about the situation is that the plebiscite will probably not settle the question but may make it worse. Let us consider the possible results. We may dismiss the possibility of a decision to join France, as that is highly improbable. If the Saar votes to return to Germany, as most observers think probable, there will be a dangerous situation in that France will own and operate coal mines on German territory. It will be something like the case in Manchuria, where the Russians held the railroads after Japan took over the district. So trouble may be anticipated if the Germans win. Then again, the country would suffer by being cut off by a national boundary line from the iron ore of Lorraine. Further, the French fear that if the Saar returns to Germany, about 100,000 Communist refugees from Germany now there will rush into France to avoid the German concentration camps.

If, on the other hand, the Saarlanders vote to maintain the *status quo*, or the

government by the League of Nations, which is now considered quite possible, it will mean a serious loss of prestige to Hitler, and it is generally believed that the pro-German party, instead of submitting to the decision, would increase their efforts to take over the district and even resort to violence. Chancellor Hitler's August 26 speech at Coblenz, in which he pleaded for the immediate return of the Saar, was regarded as betraying his fear. The Germans are very anxious to get back what they consider to be a piece of the fatherland.

There is a third alternative. The country may be divided between Germany and France. That would create a perpetual bone of contention. After the plebiscite, according to the treaty, "the League shall decide on the sovereignty under which the territory (or any part of it) is to be placed, taking into account the wishes of the inhabitants as expressed by the voting." It will be seen from this that great power and responsibility rest with the League. It is known that France, with her friends and allies, has great influence in the League, so the main struggle over the Saar may come after the plebiscite of next January. The Saar question may therefore disturb the peace of Europe for years to come.

### ARMS PROBE ADJOURNS

The Senate committee investigating the work of American munitions makers has adjourned its public hearings for a few weeks. During the last few hearings it disclosed further evidence of graft and bribery among foreign governments. The name of at least one American officer was also involved. Officials of Federal Laboratories, Inc., makers of gas bombs, spiritedly defended their sales of gas for use in quelling strike disturbances. It is more humane than guns, they asserted. A surprise revelation was the sale of more than \$1,000,000 worth of airplane parts to Germany by United Aircraft and associated companies in defiance of the Versailles Treaty.

Chairman Nye has said that he favored a federal monopoly in the armament business, but other members objected that such a move would simply throw the business to foreign munitions makers. All members, however, favored international agreements on the subject of munitions if possible.

# NRA and Textile Labor: Two Big Issues

(Concluded from page 1, column 4)

agreements national in scope with textile employers. The leaders among the employers in the cotton industry refused to grant this demand. They claimed that the United Textile Workers did not represent the interests and the wishes of a majority of the employees, and they said furthermore that there was no central organization among employers which had the right to enter into national agreements binding upon the 12,000 individual cotton mills. They said, therefore, that national agreements of this kind were impossible.

The Winant board recommended that the demands of the United Textile Workers should not be heeded on this point. It said: "The board feels that under the circumstances of this situation, an industry-wide collective agreement between the employers as a group and the United Textile Workers is not at this time feasible."

## Right to Organize

2. *Machinery for enforcing labor rights under the NRA and the textile code.* The union leaders declared that employers in the cotton industry had violated the NRA rule (section 7a) which gives workers the right to organize into unions. It was said that employers in many instances had discharged men for joining the United Textile Workers.

It was claimed that the workers found it impossible to secure the enforcement of their right to unionize. The representatives of the employers denied that they had interfered with such rights of the workmen.

The Winant board decided this point in favor of the workers. It said that no satisfactory machinery now exists whereby workers can be insured against a violation of their rights. If complaint is made that the employers are interfering with the rights of workmen, the complaint goes eventually to those who have charge of the cotton textile code. This Code Authority is made up of the employers themselves. There are three government representatives who sit with the Code Authority, but they do not have votes. Labor is not represented on this board which enforces the textile code. (The code is, of course, the set of regulations which have been adopted by textile mill owners for the regulation of the textile industry.) The workers, therefore, have had to appeal to employers to examine into charges against employers. The Winant board held this to be unsatisfactory, and recommended that a new board, to be called the Textile Labor Relations Board, be created to examine into all such charges and to see that the right of labor to organize is enforced.

## Wage and Hours Question

3. *Wages and Hours.* The union leaders asked for a thirty-hour week instead of the forty-hour week which has prevailed in the textile industry. They asked that workers be paid as much for thirty hours as they have been getting for the forty hours. The employers met this demand by the assertion that the cotton mills cannot afford to pay more per hour for labor than they have been paying. They said many of the mills are already running a loss. They could not possibly go on if they increased their cost of production. The only way they might possibly be able to pay higher wages would be to make up their loss by charging higher prices. If, however, they charged higher prices, the sale of cotton goods would fall off, so it was declared, and in that case fewer workmen would be employed.

Another wage issue was raised. The union leaders said that when the employers were compelled to establish a minimum wage; that is, to pay no one less than \$12 or \$13 a week, they cut the wages of employees who had been making more than that amount. They placed the higher paid workers in different classifications so that they could cut wages.

The Winant board decided that the way to settle these wage and hour disputes was to gain more facts relative to the state of

the industry. Is it a fact that the cotton industry cannot pay higher wages? The board said that that question should be left to an investigation to be conducted by the Federal Trade Commission. Is it a fact that the workers are receiving less than living wages? Let that be determined by an investigation conducted by the Bureau of Labor Statistics of the Department

of Labor. The board recommends that the Bureau of Labor Statistics also find out whether or not higher-priced employees are having their wages cut. This information is to be turned over to the new Textile Labor Relations Board.

## Speeding Up Work

4. *The Stretch Out.* The workers say that labor-saving machinery is being intro-

duced and that workers are being obliged to tend to more machinery than they have been tending. When their wages are raised they are given more work to do. This stretching out of their work is called the "stretch out."

The Winant board finds that the stretch out system has been used in the cotton industries since 1923. In many cases workers are called upon to tend more machines and to perform more work. In other cases the introduction of machinery does not place added burdens on the workers. The board calls for an investigation to see what is happening along this line, and it recommends that until the first of next February no employer shall extend the number of

looms, frames, or other machines to be tended by any employee. The board makes a number of different suggestions for the purpose of giving the workers assurance that they will not be given extra loads, and that the introduction of labor-saving machinery will not be used to their disadvantage.

These recommendations do not, of

course, solve the problems on account of which several hundred thousand workers went on strike. They do give public recognition of the fact that grievances exist in the cotton textile industry, and they recommend means whereby the problems can be handled in the light of fact and reason. The president has given indication that he will see that the recommendations are carried out. The workers have ac-

cepted these assurances of the committee and have brought the strike to an end. When we turn from this labor controversy to the problem of the NRA, we do not find such a definite development. No final solution has been arrived at as to how the NRA will be reorganized. It may be that such a decision will have been made before this paper reaches its readers. There has been, however, an interesting development bearing upon the NRA in that a committee of the United States Chamber of Commerce has given expression to its views as to what ought to be done. This is significant because the Chamber of Commerce is supposed to reflect the ideas of business men. This committee recommends

that the NRA, as such, be abolished. It is to come to an end next summer unless it is renewed by act of Congress, and the Chamber of Commerce committee recommends that it should not be renewed. It is interesting to observe, however, that the committee wishes certain important features of the NRA to be continued. The Chamber of Commerce view is that companies in any industry should be permitted to get together and draw up a code. The government is to have nothing to do with it except to help enforce the code against all companies signing it. The present provision of the NRA repealing the antitrust acts is to stand. The companies in any industry, then, under this plan, could come together as they wished and decide upon the prices they would charge for their products. No company would be forced to sign the code.

It will be recalled that one of the most forcible objections against the NRA is that it enables business men to unite and agree upon prices. It is charged that this enables them to raise the prices of goods; that this is a hard thing on consumers, and that it reduces the amount of goods consumed. It is said that this reduces the demand for goods, causes production to fall, and prevents business recovery. It is significant that the representatives of the business men, though they would do away with the NRA if they could, would maintain that feature of it which is being most severely criticized.

## Johnson's Leadership

Another NRA development of the week has been an intensification of the campaign to remove General Johnson from leadership. The general aroused increased opposition by a speech which he delivered recently in New York. He made a bitter attack upon the leaders of the textile workers for ordering the strike. At the very time that he did this, the Winant committee, which had been appointed by President Roosevelt, was finding that many real grievances existed, and that the textile workers were not getting a square deal under the NRA. General Johnson's attack, therefore, appeared to put him out of line with the administration's policies. It was felt for a time that it would interfere with the president's efforts to settle the strike.

General Johnson made another statement which has led to great embarrassment in administration circles. He said that he had had frequent conversations with Justice Louis D. Brandeis of the United States Supreme Court, and implied that he had acted on the advice of the justice. He said, "During the whole intense experience I have been in constant touch with that old counselor, Judge Louis Brandeis."

Now it is considered highly improper for a justice of the United States Supreme Court to take part in politics or to have anything to do with the development of policies which he may be obliged later to pass on as a judge. Many people believe that the NRA is unconstitutional. The issue will probably come before the Supreme Court before long for a decision. It would seem very strange if Justice Brandeis, who is after a while to sit in judgment on the NRA, were to be taking part in the development of its program. If Justice Brandeis committed that indiscretion, it is charged that General Johnson should not have given him away. If, on the other hand, he really has not been advising General Johnson, then it is said that the suggestion made by the general was most unfortunate. At any rate, the incident has caused quite a hubbub in Washington, and has led to a renewed demand that Johnson be removed from command of the NRA. His friends insist, however, that his constructive achievements have been so marked that the president cannot afford to dispense with his services merely because some of his statements have led to misunderstanding and embarrassment.



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## WHEN RIOTING BROKE OUT

Some of the severest fighting during the recent textile strike took place in Rhode Island.



© Wide World

## WORKERS' HOMES IN A TYPICAL COTTON TEXTILE MILL TOWN





IT HAS often been said that history repeats itself. Very often, however, the opposite is true, and history reverses itself. This is particularly true of political history. Time and again throughout our history as a nation, the

### **The political parties reverse their historic positions**

two main political parties have found themselves on the side of the fence where their opponents were a few years earlier. The shifts back and forth have been numerous, but in the past they have generally been on particular issues rather than on basic philosophy.

Anyone who knows the least bit about politicians realizes of course that consistency was never their principal virtue. Like Webster and Calhoun, who changed places with each other on the tariff issue when the interests of their states were altered by a new set of economic conditions, the politicians of today are often found defending the very measures which they so vehemently denounced a few weeks or months ago. But never before in our history have the two parties, as political organizations, so completely stepped into each other's shoes as they have today.

When the party system got under way in this country, the principal difference between the Federalists—the party of Washington and Hamilton and Adams—and the Democratic-Republicans—the party of Jefferson and Madison and Monroe—was on the issue of central authority. The Federalists believed in a strong central government, a national government to which the several states, and individuals as well, would have to relinquish some of their rights and liberty. The Democratic-Republicans, or Republicans, as they were later called, the forerunners of our present Democratic party, insisted upon states' rights and resented the encroachment of the central authority upon these rights and privileges.

LONG before the parties were formally organized, this division was abundantly apparent, as an examination of the work of the Constitutional Convention will show. The clashes between those who wanted a strong central government, and those who feared that the states would be completely dominated if much authority were vested in the federal government, almost disrupted the Constitutional Convention. Washington himself wrote to Hamilton during the crisis: "I almost despair of seeing a favorable issue and do therefore repent having had any agency in the business. The men who oppose a strong and energetic government are in my opinion narrow-minded politicians."

### **The Federalists were for centralized government**

Had it not been that the Fathers hit upon the "great compromise" in 1787 the Philadelphia conclave would in all probability have blown up, there would have been no Constitution and the country would have slipped into worse anarchy than it had known up to that time. But by having the states represented in the House of Representatives according to the size of their population and represented equally in the Senate a satisfactory compromise was reached and a balance between the contending camps effected. And it was felt that a House of Representatives directly elected by the people with control over the government's purse would guarantee against overcentralization.

And, as we leaf through the pages of history from that time to the recent past, we find this

## **Political Parties and Changing Programs**

By David S. Muzzey and Paul D. Miller

same division between the parties on the issue of centralized authority versus decentralized authority. The later Republican party, offspring of the early Federalists, championed the cause of a strong national government, whereas the later Democratic party, direct descendant of Thomas Jefferson and Andrew Jackson, stood by its guns as protector of individual and state rights against the octopus-like spreading of central government.

UPON this basic difference of philosophy, some of the most bitter political battles in our history have been fought. Jackson's struggle against the Bank of the United States brought to the fore this cleavage in all its strength, the Democrats of that day falling back on the theories of government which their illustrious forebears had so eloquently expounded during the birth and infancy of the nation. The fight over nullification, which finally ended in the Civil War, again showed the sharp division between the parties on this traditional issue.

### **The New Deal has now adopted this position**

And all through the Republican heyday, from Harding to Hoover, the Democrats wailed about the increasing power of the government in Washington, inveighed against bureaucracy, cried lustily for a return to Jeffersonian democracy or Jacksonian democracy and worshiped at the shrine of states' rights and individual liberty.

All this sounds strange, indeed, in the year 1934 when the parties are again lined up against each other in their biennial race for control of Congress. It is no longer the Democratic party that stands in public places voicing undying loyalty to the principles of Jefferson and Jackson and Grover Cleveland. In the year and a half that it has had unchallenged control of the national government, the Democratic party has strengthened the authority of the federal government to an extent undreamed of by the most rabid Federalist. Whatever else may be said of the Roosevelt administration, it has tightened the grip of the federal government on every phase of our national life more than ever before in our history. Not only has the federal government taken from the states privileges which they have enjoyed for generations, but it has spread its control over individual action by telling men how they shall run their businesses and how they shall not run them.

STRANGELY enough, it is the Republican party that is standing at the wall moaning against the encroachment of Washington bureaucracy upon individual liberty and states' rights. More is being heard in this campaign about the Constitution and the Bill of Rights and individual freedom than has been heard in many a year. The powers that be in the Republican party are today shrieking to high heaven against "collectivism," "regimentation," "bureaucracy," and are going up and down the land on the wings of a "back to the Constitution" appeal. Politics is indeed funny, as Vice-President Garner has aptly remarked, but it has seldom been so funny as to see such

a complete about-face as has taken place in this short space of time.

A FURTHER contrast between the early period of our history and the present state of affairs would not be amiss at this point. The strongest selling argument of the Federalists in securing the adoption of a system of government which would invest greater powers in the central body was that the old system, the Articles of Confederation, had proved itself pitifully inadequate

### **Central control necessary in 1787 to prevent chaos**

to solve the problems of the day. George Washington referred to the arrangement by which the states were complete masters—the confederation—as "imbecile." The painful state of affairs demanding a system of government to replace the Articles of Confederation is carefully described by John Corbin in *Scribner's* for September.

For the lack of the power of taxation and of all authority over individuals, it must have cost us our freedom from England if it had not been for the patient genius of Washington plus financial and military aid from France. After the Revolution, it could neither meet its own trifling expenses nor borrow money—being unable even to pay the interest on loans already contracted. Nor do those facts mark the depth of its imbecility. Thanks to the genius of our negotiators in Paris, the treaty of peace with England was vastly advantageous to us, making possible a national life of utmost dignity and prosperity; but the government of the Articles of Confederation was so enfeebled by its particularism that it could not oblige the several states, and notably Washington's own Virginia, to respect the few rights which the treaty pledged to England. And so England also disregarded the treaty—continuing, among other things, to occupy and exploit vast regions which she had ceded to us.

IT WAS because the central government, if there really was a central government under the Articles of Confederation, was unable to cope with the problems confronting the nation during those fateful years that the

### **Similar conditions force centralization of government today**

Constitution was brought into being, bringing into existence a system which could restore order and prosperity to a harassed nation. Likewise, it was because things had gone pretty near the brink last year that the federal government assumed greater control over our national life than ever before. Our economic life was at a standstill, commerce was paralyzed; in a word, the nation was facing a major crisis, much the same as it was a century and a half earlier.

History has given its almost unanimous verdict that the remedy applied to the nation's ills in 1787 was effective in restoring order and stability and prosperity. It will be a long, long time before history will give its final verdict on the remedies now being applied to the nation in another period of crisis. The first experiment worked. The second may or it may not. The conditions which beset the nation in 1787 were vastly different from those of today. Each section of the country and each state was more nearly an independent unit than they are now. It is because of these changed conditions that our present problems are so complex and difficult of solution. Certainly the experiment we are now trying—the experiment of the New Deal—touches the national life, together with the individual life of every American, as vitally as did that of 1787.

## **Glimpses of the Past**

Fifteen Years Ago This Week

President Wilson's illness continues to be serious. Rear Admiral Grayson, the president's physician, has called in several specialists.

There is considerable violence in connection with the general strike in the steel industry. A Senate committee is investigating the causes of the strike and seeking a solution. President Wilson has called a national industrial conference to meet in Washington on October 6. This will give capital and labor a chance to get together and perhaps remove the differences that have caused so much trouble since the war.

The Prohibition Amendment has been ratified and will become effective January 16. Both houses of Congress have just passed the enforcement act, with only slight differences to be ironed out in committee. The maximum alcoholic content of legal beverages is set at one-half of one per cent.

Practical politicians cannot understand the "Hoover for president" boom that is going on at the present time. Since Mr. Hoover is not a military hero and has no party record, they are somewhat puzzled.

Women are looking forward to the 1920 elections and wondering if they will get a chance to vote. Ratified by seventeen states during the past four months, the suffrage amendment must be approved by nineteen more during the next year. Political commentators think the chances are about even.

Italy and Yugoslavia are practically at war in Dalmatia. To prevent bloodshed, American naval forces landed the other day and forced an armistice upon the two armies.

A cable from Paris announces that the French Chamber of Deputies has ratified the German peace treaty.

The United States is receiving much attention from royal tourists. The king and queen of the Belgians have just arrived and will spend about a month sight-seeing in this country. The prince of Wales, in Canada at the present time, is expected in Washington shortly.

Russia is in a turmoil. The White Army, under General Denikin, is gaining important victories in the south. The Reds are also fighting Poland and Finland and against the allies in Siberia. An unconfirmed rumor from Moscow states that Premier Lenin ordered the arrest of Minister of War Trotsky but that the move miscarried and Lenin himself is in jail now.

The Senate is in session discussing the League of Nations Covenant of the peace treaty. There is much debate over the reservations the United States will demand before signing.

French newspapers are talking about the prospects for "recovery"—from the devastation of the war.